

# Press Release

Stockholm, February 25, 2004

## Notice Convening the Annual General Meeting of Framfab AB (publ)

The shareholders of Framfab AB (publ) are hereby invited to attend the Annual General Meeting at 5 PM on Thursday, March 25, 2004 at Näringslivets Hus, Storgatan 19, Stockholm.

### Notification, etc.

Any shareholder wishing to attend the meeting must

- be entered into the stock register kept by VPC AB by March 15, 2004
  - notify the Company by 4 PM on March 19, 2004 by writing to Framfab AB (publ), attn: Anita Hallgren, Box 38078, SE-100 64 Stockholm, Sweden, faxing to +46 8 411 65 95, calling +46 8 410 010 39 or e-mailing to [anita.hallgren@framfab.se](mailto:anita.hallgren@framfab.se)
- Notification should include the shareholder's name, civic registration no. or corporate identification no., address, phone number and the number of representatives. If attendance is based on proxy, authorization should be submitted along with the notification.

In order to attend the meeting, any shareholder whose shares are registered in the name of an authorized agent must request temporary entry in the stock register. The shareholder must so inform the authorized agent well ahead of March 15, 2004.

Stockholm  
Sweden

### Proposed agenda

1. Selection of the chairman of the meeting
2. Preparation and approval of the list of shareholders entitled to vote at the meeting
3. Approval of the agenda
4. Selection of one or two people to check the minutes
5. Verification that shareholders have been duly notified of the meeting
6. Statement by the CEO
7. Presentation of the annual report and auditor's report, as well as the consolidated financial statements and the auditor's report for the Group
8. Resolutions
  - a) to adopt the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet
  - b) to appropriate earnings for the year in accordance with the balance sheet that has been adopted
  - c) to discharge the members of the board and the CEO from liability with respect to the financial year
9. Determination of the number of board members and deputies
10. Determination of remuneration for the board and auditors
11. Selection of board members and deputies
12. Resolution concerning the nominating committee
13. Resolution concerning amendment of the articles of association and reduction of share capital
14. Resolution concerning authorization of the board to issue new shares to pay the additional purchase sum for SBI Framfab, Ltd., Great Britain
15. Resolution concerning authorization of the board to issue new shares to finance the acquisition of companies
16. Resolution concerning authorization of the board to issue new shares to finance operating activities
17. Resolution concerning the issue of employee stock options in accordance with the Group option program



Framfab AB (publ)  
Krukmakargatan 37A  
Box 38078  
SE – 100 64 Stockholm  
Sweden  
Phone: +46 8 41 00 10 00  
Fax: +46 8 411 65 95  
Registered Office:  
Stockholm  
Corporate Identity No.:  
556528 6886  
[www.framfab.com](http://www.framfab.com)

18. Resolution concerning authorization of the board to issue instruments of debt consisting of detachable subscription options
19. Other matters that have been duly referred to the meeting
20. Adjournment of the meeting

## **Proposals**

*Appropriation of earnings for the year in accordance with the balance sheet that has been adopted (Item 8b)*

The board and the CEO proposes that the Company's retained losses of 131,859,162.78 kronor according to the balance sheet be appropriated such that 92,554.416.18 is covered by reduction of the premium reserve and 39,304,746.60 is carried over to the 2005 accounts. A proposed reduction of share capital in accordance with Item 13 above would cover the latter amount.

*Selection of board members and deputies (Item 11)*

The nominating committee will announce its nominees for the board. A press release to that effect will be issued as soon as possible.

*Resolution concerning the nominating committee (Item 12)*

The board and the CEO proposes that its chairman be authorized to contact a number of the Company's largest shareholders at the time of the January-September interim report. The shareholders will choose at least three representatives, whose names will be made public. The representatives will constitute a nominating committee, with the chairman of the board as convener.

*Resolution concerning amendment of the articles of association and reduction of share capital (Item 13)*

The board proposes that the meeting resolve to amend the articles of association to reduce the par value of the Company's stock from 0.10 kronor to 0.05 kronor. In addition, the board proposes that the meeting resolve to reduce share capital by 39,304,746.60 kronor to 39,304,746.60, which will be set aside for immediate coverage of the loss according to the balance sheet.

*Resolution concerning authorization of the board to issue new shares to pay the additional purchase sum for SBI Framfab, Ltd., Great Britain (Item 14)*

In accordance with an agreement of October 22, 2003, the Company acquired the shares in SBI Framfab Ltd. from SBI Scient Inc. The agreement specifies that the Company pay an additional purchase sum of 35 million shares or the cash equivalent, based on the volume-weighted average share price for the 20 trading session prior to August 15, 2004. The additional purchase sum is to be paid no later than August 15, 2004.

In order to pay or finance the additional purchase sum to SBI Scient Inc., the board proposes that the meeting, departing from the right of priority of shareholders, authorize it to carry out one or more cash and/or in-kind, settlement or other issues totaling a maximum of 35 million new shares until September 30, 2004. If fully exercised, the authorization would dilute total capital and votes by approximately 4.3%.

*Resolution concerning authorization of the board to issue new shares to finance the acquisition of companies (Item 15)*

In order to finance the acquisitions of companies, the board proposes that the meeting, departing from the right of priority of shareholders, authorize it to carry out one or more cash and/or in-kind, settlement or other issues of new shares until the next annual general meeting. Issues carried out in accordance

with the authorization may total up to 55 million shares at a subscription price that does not significantly differ from the market value of the Company's stock on each occasion at which the authorization is exercised. If fully exercised, the authorization would dilute total capital and votes by approximately 6.5%.

*Resolution concerning authorization of the board to issue new shares to finance operating activities (Item 16)*

The board proposes that the meeting, departing from the right of priority of shareholders, authorize it to carry out one or more cash and/or in-kind, settlement or other issues of new shares until the next annual general meeting. Issues carried out in accordance with the authorization may total up to 45,000,000 shares at a subscription price that does not significantly differ from the market value of the Company's stock on each occasion at which the authorization is exercised. The purpose of the authorization is to strengthen, whenever the need arises, the Company's financial position and ensure financing of the Group's ongoing operating activities. The option of departing from the right of priority of shareholders is based on the potential need to obtain additional cost-effective and expeditious financing by means of a special issue of new shares directed to a limited number of financial institutions and other professional investors. If fully exercised, the authorization would dilute total capital and votes by approximately 5.4%.

*Resolution concerning the issue of employee stock options in accordance with the Group option program (Item 17)*

A special meeting of shareholders on October 11, 2000 adopted a global employee stock-option program for the benefit of current and future employees of the Group. The program specifies that the redemption price of the options essentially correspond to the market value of the Company's stock at the time that the options are issued. The options may be exercised no earlier than one year and no later than four years after the date of issue, provided that the employee is still working for the Group on the exercise date. The purpose of the program is to promote the hiring and retention of skilled employees for the Group.

The board proposes that the meeting approve the issue of up to 6,000,000 options to the Group's senior executives and key personnel, whereby the CEO would be entitled to up to 1,000,000 options, provided that the Company's financial targets are met in 2004, while other senior executives and key personnel would be entitled to up to 200,000 options each annually, in accordance with the Group's option plan, which is based on the principles adopted by the special meeting of shareholders on October 11, 2000.

If all the above options are exercised, senior executives and key personnel will acquire Company stock leading to 0.76% dilution of capital. Including the 4,200,000 options that the Company plans to issue in accordance with the resolution of the May 7, 2002 annual general meeting (see Item 18 below), the dilution of capital is approximately 1.28%. Options previously issued as part of the program expire on March 31, 2004 and carry a redemption price considerably above the current share price, as a result of which they have not been taken into consideration when calculating dilution.

In connection with this item's proposal, employees of the Group will be issued purchase options entitling them to acquire the Company's stock. Such transfers are subject to the Act on Certain Directed Placements in Stock Market Companies, etc. (1987:464) ("the Leo Act"), according to which a resolution to adopt an option program is valid only if it is supported by at least nine-tenths of both the votes cast and the shares represented at the meeting.

*Resolution concerning authorization of the board to issue instruments of debt consisting of detachable subscription options (Item 18)*

The annual general meeting of May 7, 2002 resolved to issue up to 7,200,000 purchase options (employee stock options) in accordance with the global option plan adopted by a special meeting of shareholders on October 11,

2000. To date, the Company has issued 3,000,000 of these options, of which 1,750,000 have been exercised and 1,250,000 have expired. To enable the issue of the remaining 4,200,000 options and the 6,000,000 options comprised by the proposal in Item 17 above, the board proposes that the meeting authorize it to issue one or more instruments of debt until the next annual general meeting consisting of up to 10,200,000 detachable subscription options. Departing from the right of priority of shareholders, the entitlement to sign the instruments of debt will accrue to wholly owned subsidiaries of the Group. The purpose of departing from the right of priority of shareholders is to ensure performance of option commitments in accordance with the abovementioned option program.

If the authorization is fully exercised and all options are used to subscribe for stock, the Company's share capital will increase by 1,020,000 kronor. If fully exercised, the authorization would dilute total capital and votes by approximately 1.28%.

### **Other matters**

Accounting records and auditor's reports, along with the board's complete proposals in accordance with Items 13-18, will be available from the Company at Krukmakargatan 37A in Stockholm, phone number +46 8 41 00 10 39, as of March 11, 2004 and will be mailed to shareholders on request.

Stockholm, February 2004  
Framfab AB (publ)

### **About Framfab**

Framfab is a leading European specialist in digital media solutions and communication based on Internet technology. Most of Framfab's customers are large international companies, including 3M, American Express, AXA, Carlsberg Breweries, Cheltenham and Gloucester Building Society, the Coca-Cola Company, Danske Bank, DuPont, Ericsson, Hydro Texaco, Kellogg's, Kraft Food International, Lloyds TSB, Nike, Nobel Biocare, Observer, Philip Morris International, Philips, Postbank, SAAB, Sara Lee Douwe Egberts, Vodafone, Volvo Car Corporation, Volvo Group and UBS. Framfab operates in Denmark, Germany, the Netherlands, Sweden, Switzerland, and the UK. The company is quoted on the O list of the Stockholm Stock Exchange (ticker symbol FRAM). For more information, please visit [www.framfab.com](http://www.framfab.com)